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GEORGIA STATE UNIVERSITY FORECAST

Georgia and Atlanta
1979 - 1980

FIVE-YEAR PROJECTION FOR GEORGIA

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QUARTERLY FORECASTING CONFERENCE
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EMPLOYMENT REVISIONS IMPROVE MEASUREMENT OF GEORIGA'S ECONOMIC PERFORMANCE

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Recent Activity

Preliminary estimates of the long awaited benchmark revisions of Georgia employment are now available. As a result of these changes, wage and salary employment in Georgia has been revised upward by more than 57,000 in 1978 and by nearly 96,000 in 1979. The anemic 1.3% growth rate estimated for wage and salary employment for 1979 has been revised upward to a nearly normal 3.1% rate of expansion. Personal income estimates currently available do not reflect these changes. However, the Economic Forecasting Project at Georgia State University has incorporated the latest employment estimates into their forecast and have revised upward the personal income estimates for 1979. As a result, personal income estimates have been increased by nearly a percentage point in 1979.

These employment revisions changed employment growth considerably in several areas. First, employment in durable goods manufacturing was revised upward from a rate of expansion of 0.9% to a growth rate of 4.2% in 1979. The largest change was in nonelectrical machinery, which was revised upward from a 2.5% growth rate to a 9.6% rate of expansion. However, other significant increases occurred in lumber (5.1% vs 2.1%), fabricated metals (3.4% vs -1.9%), and transportation equipment (1.5% vs -4.5%). Revisions were less extensive in nondurable goods manufacturing, although textile employment now exhibits a decline while printing activity is growing 6.1% instead of the 2.1% originally estimated.

More substantial revisions occurred in transportation services, wholesale trade, and private services. Although the growth of employment in the transportation sector now exceeds expansion in goods activity, much of this increase is related to increasing efficiencies in airline transportation. On the other hand, upward revisions in wholesale trade employment, which changed a 1.1% rate of expansion to a 5.1% rate of expansion, must be viewed with concern. Wholesale trade has been growing relative to retail trade and to goods production for two consecutive years. Also, the dramatic revision in services from a 1.7% rate of expansion to a 5.8% growth rate suggests that consumer spending has been very extensive. Retail activity in Georgia has been expanding more rapidly than nationwide. Thus, consumer spending may be growing slightly greater relative to expansion of personal income in Georgia than in the nation.

While the revisions definitely conformed to the strong Georgia economy that had been revealed by the coincident indicators, they also reflect some areas of economic imbalance.

The timing of any correction to these developing imbalances in consumer spending and wholesale activity remains elusive. In November, unemployment in Georgia remained below 5%. While the insured unemployment rate increased to 2.14% during the December reference week, this increase was no greater than normally occurs on a seasonal basis. Furthermore, both measures of unemployment remain a full percentage point below comparable rates nationwide.

According to the revised profile of employment in table 5, economic growth slowed appreciably during the spring and summer in Georgia. However, preliminary estimates of employment changes during the fourth quarter show an annual rate of increase approaching 3%. Moreover, the very preliminary estimates for December indicate that employment continued to expand. Thus, no evidence of impending recessionary forces can be revealed from the employment statistics. Construction definitely has weakened during the year despite some improvement as a result of extremely mild weather conditions in the fourth quarter. Nondurable manufacturing shows modest weakness because of a definite downward trend in employment related to textile activity. The government sector is showing no basic employment trend at the present time. However, these areas of developing weakness are being offset by surprising strength in the stone, clay group, continuing expansion in metals and machinery activities, modest growth in transportation equipment that has occurred despite problems in auto assembly, continued growth in printing, firmness in apparel and paper production, nearly explosive growth in wholesale trade employment, and rapid expansion in transportation services, financial services and other services. In other words, employment in most Georgia industries was still trending upward at the end of 1979.

Because employment is a component in estimates of the Georgia Coincident Indicators, those indicators showed more economic activity in Georgia during 1979 than prior to the revisions. For example, the gross state product after adjustment for inflation appears to have increased by 4.6% in the last 12 months as compared to only a 0.8% gain nationwide. Moreover, activity continued to expand at a 4.6% rate in the fourth quarter. This compares with preliminary estimates of only a 1.4% rate of expansion nationwide. Recessionary activity was absent from the Georgia economy in 1979, although activity began to slow in December. Preliminary estimates suggest that the coincident indicators expanded only 0.1%, which is consistent with a 2.2% rate of expansion at annual rates for economic activity. The important series of hours worked provided most of the strength in the indicators, suggesting that productivity currently is declining in the state. Indeed, productivity now appears to have declined about 1.6% in Georgia during the last year, which is precisely the rate of decline recorded nationwide.

Other areas of strength in December were measured by corporate tax accruals and the insured unemployment rate. Weakness was revealed in the farm sector after several months of exceedingly strong economic performance; in the financial sector, where both deposits and bank loans continue to grow more slowly than inflation; and in the duration of those unemployed as measured by the value

of unemployment claims. If employment is growing more rapidly than economic activity, as the coincident indicators seem to suggest, some significant slowing of employment growth may occur in the months ahead.

Georgia's leading indicators for the month of December suggest that such a weakening of activity is not very far ahead. After rising 0.3% in November, the leading indicators plunged by 0.5% in December. In the latest three months, the indicators have trended upward, but only slightly. More significantly, the index of leading indicators has now fallen below previous year levels. A recession always has begun after this index has fallen below levels of a year ago. The sources of weakness have been so widespread that 1980 probably will not be an exception to this rule. Sharp declines occurred as a result of changes in unemployment claims, a dramatic drop in savings capital at savings institutions, a drop in adjusted mortgages outstanding, and a dramatic shortening of the workweek. Lesser weakness was revealed by changes in the layoff rate, revenues received by the state after adjustment, and sales tax receipts after adjustment for inflation. For the first time in this business cycle, employment statistics reveal significant imbalance while the leading indicators suggest that current activity cannot be sustained. Unless external sources of demand for Georgia activity develop in the months ahead, a mild recession will develop.

According to the available consumer prices for Atlanta, inflation in Georgia remains about a percentage point below levels nationwide. Differences in housing costs are primarily responsible for the reduced inflation rate. For example, homeownership in Atlanta has increased by 14.8% vs 19.8% nationwide. Furthermore, costs of homeownership have increased at a slowing rate in the last few months in Atlanta. During the last year, rents also have increased more slowly in Atlanta, but rapid rental increases in the last few months have narrowed this gap. A second source of reduced inflation is in the fuels. While prices for fuel oil and natural gas are rising only marginally more slowly in Atlanta than nationwide, natural gas and electricity, which has increased 14.4% in the last year, is a much more important fuel in Georgia than fuel oil, which rose by 51.6% in price. Costs of medical care and entertainment in Atlanta also continued to grow more slowly than nationwide. On the other hand, transportation costs are growing more rapidly in Atlanta than in the nation. The major culprit is public transportation, which has increased by 42.8% vs 17.9% nationwide.

Slightly slower inflation and more rapid expansion in revised personal income would permit some relative expansion in retail trade activity. By November, retail sales in the south Atlantic States had accelerated to draw even with 11% gains recorded nationwide. Furniture store sales remained stronger in this region while regional sluggishness in automobile sales has narrowed. Sales of nondurable goods have been slightly stronger in the region, although gasoline sales count for most of the better performance than in the nation. Retail sales in Atlanta are increasing about two percentage points more rapidly than nationwide, primarily as the result of a 23% to 11% relative rate of growth in nondurable goods sales of all major metropolitan areas in the United States. Moreover, Atlanta department stores have narrowed the gap to trail department stores sales nationwide by only 7% vs 8%. On the other hand, department store sales in Augusta have fallen below sales nationwide for the first time in more than a year. Depar-

ment stores in Macon have begun to show some growth in sales from previous year levels, while sales in Savannah department stores grew 4% over previous year levels, leading to a significant narrowing of the gap between sales of Savannah department stores and department store sales nationwide. During the third quarter, taxable sales in Georgia showed only a 8.8% gain from previous year levels, narrowing the 10.9% and 13.5% gains recorded in previous quarters.

In December the effective mortgage rate for newly built homes in Atlanta was 11.70%, a 1.61 percentage point increase from the previous year. This compared with 11.65% nationwide and 1.63 percentage point gain for the nation. For previously occupied homes, Atlanta mortgages were 11.60%, a 1.46 percentage point gain. Nationally, the rates were 11.88% a gain of 1.80 percentage points during the year. This suggests that some weakness in sales of previously occupied housing has developed in Atlanta. New mortgage contracts are being quoted at 12.50% and rates in excess of 12% are expected through the summer of 1980.

The federal reserve initiative of October 6 had a dramatic impact upon mortgage commitments at Georgia savings associations. Mortgage commitments plunged by 38.4% during the three months while they were declining only 20% nationwide and a smaller 6.1% rate in the Southeast. This weakness in commitments cannot be explained solely as a result of changes in savings capital. Indeed, savings capital in Georgia expanded 2.2% as compared to 2.0% for the Southeast and 1.7% for the nation. Because of previous commitments, mortgages outstanding grew 2.1% in Georgia, which compared favorably with a 2.3% rate of expansion in the southeast and 2.1% nationwide. The sharp break in commitments clearly indicates, however, that a substantial correction in residential construction soon will be underway.

Georgia sales tax receipts rebounded during the fall to a 12.6% gain over previous year levels following increases of 11.4%, 9.4%, 13.6%, and 13.9% in previou quarters. This rebound was in sharp contrast to sales tax receipts nationally, which expanded only 8.4% as compared to 9.4%, 8.1%, 13.4%, and 11.7% in previous quarters. Clearly, consumer activity in Georgia continues to be stronger than in the nation. Reflecting the continued growth in employment, income tax collections increased 21.2% in the fall following gains of 19.4%, 17.1%, and 30.8% in previous quarters. Although some of the nationwide figures are distorted by tax cuts, they show no comparable gain. Indeed, income tax collections by state and local governments nationwide have grown only 8.0%, 8.1%, 1.4%, and 3.3% during recent quarters. The only disappointing part of the tax receipts performance was in corporate taxes. Tax accruals slowed to a 9.1% rate of gain in the fall following gains of 11.7%, 7.4%, 7.7% and 29.0%. For all state and local governments, estimated corporate tax accruals declined even more abruptly, rising 6.5%, 14.0%, 9.6%, 35.6%, and 26.6% in previous quarters. Total Georgia revenues continued to rebound to a 12.9% annual gain from 11.7% over previous year levels in the previous quarter. Double-digit revenue growth almost is guaranteed for this fiscal year. Some revenue slowing is expected, but state revenues should gain more than 11% this year and fall only to a 10% gain next year.

Summary of Outlook

The leading indicators currently are suggesting that economic activity in Georgia will decline by 1% in 1980. On the other hand, table 5 clearly shows that employment growth continues to experience upward momentum. Given apparent economic imbalances in the consumer sector, sharp weakness in mortgage commitments, and an apparent overhang of wholesale trade employment, the weakness portrayed by the leading indicators is expected to materialize. Thus, the unemployment rate should increase to 6% in 1980 and rise above 6.5% in 1981. The insured unemployment should rise above 3%. This forecast suggests that some of the weakness in economic activity will be absorbed by reduced hours worked while some potential workers will be discouraged from entering the labor force. It also suggests that productivity gains will be nonexistent for a second year. On the other hand, employment revisions suggest that 28,000 new jobs will be created in Georgia during 1980. This a substantial upward revision from the 6900 jobs anticipated prior to the data change.

Construction and related activity will shoulder most of the weakness, with employment in the lumber and furniture industries declining along with contract construction. Weakness in the auto industry should cause a decline in employment for transportation equipment while slowing industrial activity will lead to some weakness in primary metals. The decline in textile employment should intensify and spread to apparel and leather. The paper industry also is expected to show a modest decline. Despite this recessionary forecast, employment in wholesale trade should not slow significantly until late in the year while service employment should continue to grow at historically high rates of expansion. Temporary employment by the federal government for the census will provide some temporary boost to employment in that sector. While recovery is expected to begin early in 1981, the delayed adjustment in wholesale trade and services, and the post census decline in federal employment will restrict the advance in employment opportunities. In addition, tight budgetary conditions induced by the recession should restrict the growth of state and local government employment.

Even with the significant upward revision in total personal income that we feel is justified by the growth in employment activity, inflation grew more rapidly than disposable income in Georgia. Even with some slowing of inflation during the latter part of 1980, disposable income should fall well below price changes in this year. Thus, a significant correction by the consumer cannot be ruled out. This explains why employment in retail trade has been slowed substantially in our forecast for 1980. However, weakness also could develop very quickly in the service industries. In 1981, prices should begin to fall below the growth of disposable income. In addition, the correction in construction and related materials is expected to be completed. Also, transportation equipment should move forward as a result of strength in nonauto contractors. Nevertheless, a shallow recovery with continuing increases in the unemployment rate now seems likely in 1981.

Only Housing and Autos Feel Recession in Atlanta

As in the previous benchmark revision, a substantial portion (70%) of the adjustment in employment occurred in the Atlanta statistics. As a result of the changes, wage and salary employment grew by 4.8%, far greater than the 1.2% expected on the basis of previous employment statistics. Moreover, this employment growth exceeded that recorded nationwide. Revisions explained why unemployment in Atlanta was 4.3% in November. Moreover, the insured unemployment rate has maintained a 0.5 percentage point gap below the state.

While employment in durable manufacturing was revised upward substantially in Atlanta as in the state, most of Atlanta's employment revisions were in nonmanufacturing activity. For example, strong growth in airline activity during much of 1979 caused a 9.0% gain in transportation service employment as compared with a 2.6% gain originally reported. Employment in wholesale trade grew 7.6% verses 0.9% originally reported. Employment in retail trade was sluggish, but it did grow 1.9% rather than declining 0.8% in the original report. Service employment grew 7.1% as compared to 1.7%. Even employment in state and local government was revised upward from 3.3% to 5.6%.

Big changes in employment for durable goods production occurred in electrical machinery and transportation equipment. On the other hand, employment in the stone, clay class was reduced by 400 jobs. Revisions in nondurable manufacturing were relatively small.

According to the revised seasonally adjusted employment conditions by quarter, activity continued to intensify in Atlanta. The machinery industries are continuing to register strong gains while the transportation equipment sector is showing few ill effects from the auto sales slump. In nondurable goods activity, printing is continuing to grow strongly. While employment in transportation services has slowed from a torrid pace earlier in the year, advances remain respectable. Employment in wholesale trade remains in a strong upward trend. Clearly such rapid growth cannot be sustained indefinitely. Services also are expanding rapidly. On the other hand, government payrolls have slowed sharply. Indeed, even the census takers may not be sufficient to provide positive growth in federal employment during 1980. While the Hartsfield expansion may preserve growth in transportation services in 1980 and beyond, some correction in wholesale trade seems extremely likely.

During the summer quarter, taxable sales continued to slow their growth in Atlanta relative to Georgia. The Atlanta increase in taxable sales was 9.7% from previous year levels versus 8.8% for the state. Of the five major metro counties, sales gains slowed to 13.1% in Clayton, stabilized at 12.5% in Cobb, continued to slow to 9.3% in DeKalb, slumped sharply in Fulton County to 6.8% above previous year levels, but continued to grow 24.1% in Gwinnett. The metropolitan area contiaued to account for 47% of Georgia's taxable sales in the third quarter.

Housing permits continued to slow in December, as 717 single family permits were issued in comparison to 792 in 1978. On the other hand, multifamily units maintained their remarkable strength, gaining 508 versus 22 a year ago. In 1979, 14,733 single family permits were issued as compared to 13,656 in 1978. Multifamily activity was 5,959 permist as compared to 3,162 in 1978. Thus, housing permits rose by 23% to 20,692. Nationwide, permits were down 15%. The strong employment growth recorded for 1979 suggests that housing needs probably

exceeded 20,000. As a result, little change in inventory should have occurred during the year. In 1980, a mild recession probably will reduce household formations by 10%. Thus, nearly 18,000 housing units will be needed. Nevertheless, financing problems will restrain single family housing activity. We are projecting a 25% decline in single family permits but only a 15% dropoff in multifamily activity. Thus, single family activity should fall below 12,000 units while multifamily activity could recede to 5,000. Thus, some further reduction in housing inventory is likely. Under such conditions, price and rental relief should be nonexistent. Activity now is expected to return above 20,000 units in 1981.

Fulton county finished the year with 5,373 permits of which 3,400 were multifamily. This activity is well ahead of normal absorption rates. Thus, some increased vacancies probably will develop late in 1980. Cobb county barely edged out Gwinnett for the second spot with 4,804 permits. Gwinnett, including Lawrenceville and Snellville, recorded 4,799 permits. In 1980, Gwinnett could become the fastest growing county, in absolute terms, in Georgia. DeKalb county had 2,624 permits in 1979 and should experience some slackening from that total in 1980. Cherokee county increased it's hold upon fifth place with 1,037 permits. Growth could be even more rapid in 1980 as families seek low-priced housing. Clayton county's 984 permits should prove more than adequate until the Hartsfield expansion is completed. Housing activity should slow sharply in Fulton and DeKalb counties in 1980 while Gwinnett and Cherokee counties should see continued growth of construction activity.

One factor that could derail the forecast of a relatively modest housing slump is financial conditions. Savings capital in mortgage lending institutions grew only 1.8% in the latest quarter while mortgages outstanding grew 2.1%. While those figures are only slightly worse than nationwide, the 43.4% slump in mortgage commitments suggests that significant weakness may develop in the next few months.

The surge in wholesale employment is reflected in several indices of building in Atlanta. The Adams-Cates Index of available warehouse space shows less than 5.5 million square feet. Normally, 6 million square feet is assumed to be normal. The Coldwell Banker Industrial Vacancy Index moved down from 3.7% in September to 3.1% in December. Nationally, the Coldwell Banker Index moved up from 3.0% to 3.5%. On the other hand, a new index by Coldwell Banker, which measures office vacancies, fell only from 12% to 11.6%. The low point in office vacancy apparently occurred in June when the index was at 10%. The drop in Atlanta between September and December was less than the decline that developed nationwide. These indices clearly show that no substantial construction of office space is warranted, especially after so many projects, such as the Coca-Cola headquarters, the Southern Bell headquarters, Georgia Power, and the Russell building, are near their completions. While the figures suggest that warehousing space is very tight, the employment figures strongly indicate that wholesale trade activity exceeds sustainable rates of expansion. For that reason, any desire to increase commercial construction should be discouraged at this time.

Because of the existing momentum in employment growth for electrical machinery and the favorable impact on employment from the Hartsfield expansion, a full fledged recession no longer appears likely for Atlanta. On the other hand, some correction in housing activity is required. Also, wholesale trade cannot continue to expand so rapidly relative to all other activity in Atlanta and around the state. Thus, some elements of employment weakness should extend into 1981. Nevertheless, slow growth rather than an outright decline will be recorded by most Atlanta establishments in the next two years.

Georgia State University
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Economic Forecasting Project
February, 1980

Table 1 Georgia Wage & Salary Employment for 1978 and 1979 With Forecasts for 1980 and 1981

	1978	1979	1980	1981	78-79	79-80	80-81
Industry							
Mining	7.5	7.7	7.8	7.9	2.7	1.3	1.3
Contract Construction	101.2	98.0	92.8	93.9	-3.2	-5.3	1.2
Manufacturing	515.8	527.1	523.0	529.8	2.2	-0.8	1.3
Durables	*176.7*	*184.1*	*183.5*	*187.6*	*4.2*	*-0.3*	*2.2*
Lumber	29.2	30.7	30.0	31.2	5.1	-2.3	4.0
Furniture	9.8	10.0	9.5	9.6	2.0	-5.0	1.1
Stone, Clay, Glass	18.0	18.3	18.7	18.9	1.7	2.2	1.1
Primary Metals	15.5	16.5	16.4	16.6	6.5	-0.6	1.2
Fabricated Metals	20.6	21.3	21.5	21.8	3.4	0.9	1.4
Nonelectrical Machinery	19.8	21.7	22.4	22.9	9.6	3.2	2.2
Electrical Machinery	18.3	19.2	19.6	19.9	4.9	2.1	1.5
Transportation Equipment	34.3	34.8	33.7	34.9	1.5	-3.2	3.6
Other Durables	11.2	11.7	11.7	11.8	4.5	0.0	0.9
Nondurables	*339.1*	*343.0*	*339.5*	*342.2*	*1.2*	*-1.0*	*0.8*
Food	56.4	57.8	58.1	59.6	2.5	0.5	2.6
Textiles	123.7	122.9	119.6	120.4	-0.6	-2.7	0.7
Apparel	74.5	74.7	74.2	73.7	0.3	-0.7	-0.7
Paper	27.3	27.8	27.6	27.7	1.8	-0.7	0.4
Printing	21.4	22.7	23.5	23.6	6.1	3.5	0.4
Chemicals	16.1	16.4	16.4	16.6	1.9	0.0	1.2
Leather	2.8	2.5	2.3	2.3	-10.7	-8.0	0.0
Other Nondurables	17.0	18.2	17.8	18.3	7.1	-2.2	2.8
Transportation, Comm. & Utilities	129.1	136.2	139.9	144.0	5.5	2.7	2.9
Trade	476.0	493.6	502.3	511.6	3.7	1.8	1.9
Wholesale	*149.0*	*156.6*	*162.1*	*161.7*	*5.1*	*3.5*	*-0.2*
Retail	*327.0*	*337.0*	*340.2*	*349.9*	*3.1*	*0.9*	*2.9*
Finance, Ins. & Real Estate	103.6	107.0	109.2	111.3	3.3	2.1	1.9
Services	309.1	326.9	343.2	351.9	5.8	5.0	2.5
Government	407.9	417.8	424.0	428.4	2.4	1.5	1.0
Federal	*82.8*	*82.1*	*83.2*	*82.7*	*-0.8*	*1.3*	*-0.6*
State & Local	*325.0*	*335.7*	*340.8*	*345.7*	*3.3*	*1.5*	*1.4*
Total Wage & Salary Employment	2050.1	2114.2	2142.2	2178.8	3.1	1.3	1.7

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Table 2

Estimated Georgia Personal Income
(Millions of Dollars)

	1978	1979	1980	1981	77-78	78-79	79-80	80-81
Wage & Salary Income	22968	25639	28066	30913	10.2	11.6	9.5	10.1
Other Labor Income	2115	2355	2689	3026	14.7	11.3	14.2	12.5
Proprietors' Income	2258	2657	2505	2659	30.1	17.7	-5.7	6.1
Farm	*612*	*895*	*716*	*766*	*154.0*	*46.2*	*-20.0*	*6.9*
Nonfarm	*1645*	*1762*	*1789*	*1893*	*10.0*	*7.1*	*1.5*	*5.8*
Labor & Proprietors' Income:								
Farm	800	1126	1005	1101	99.5	40.8	-10.7	9.6
Mining	114	132	147	164	9.6	15.8	11.7	11.0
Contract Construction	1457	1546	1595	1745	11.7	6.1	3.2	9.4
Manufacturing	6462	7147	7653	8396	9.5	10.2	7.1	9.7
Durables	*2566*	*2869*	*3076*	*3393*	*10.8*	*11.8*	*7.2*	*10.3*
Nondurables	*3896*	*4278*	*4577*	*5003*	*8.6*	*9.8*	*7.0*	*9.3*
Trade	5233	5866	6412	7034	11.3	12.1	9.3	9.7
Finance, Insurance & Real Estate	1565	1761	1941	2142	11.3	12.5	10.2	10.4
Transportation & Utilities	2539	2879	3193	3563	12.7	13.4	10.9	11.6
Services	3955	4493	5063	5636	12.6	13.6	12.7	11.3
Other Industries	89	108	122	136	6.0	21.3	12.5	11.9
Government	5123	5593	6129	6681	7.7	9.2	9.6	9.0
Federal Civilian	*1408*	*1510*	*1630*	*1749*	*5.6*	*7.2*	*7.9*	*7.3*
Federal Military	*726*	*785*	*874*	*974*	*8.0*	*8.1*	*11.3*	*11.4*
State & Local	*2990*	*3298*	*3625*	*3958*	*8.7*	*10.3*	*9.9*	*9.2*
Property Income	3875	4449	4992	5536	13.2	14.8	12.2	10.9
State U.I. Benefits	109	113	196	231	-31.0	3.7	73.5	17.9
Other Transfers	4291	4803	5557	6296	9.6	11.9	15.7	13.3
Less: Social Ins. Contributions	1439	1625	1805	2107	11.7	12.9	11.0	16.7
Residence Adjustment	-92	-96	-97	-100	----	----	----	----
Total Personal Income	34087	38295	42103	46454	11.6	12.3	9.9	10.3
Nonfarm Personal Income	33287	37169	41098	45353	10.5	11.7	10.6	10.4
% of U.S. Nonfarm	1.99	1.98	1.98	1.98	----	----	----	----

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Table 3

Atlanta SMSA Wage & Salary Employment for 1978 and 1979 With Forecasts for 1980 and 1981

Industry	1978	1979	1980	1981	78-79	79-80	80-81
Contract Construction	41.2	39.9	37.3	38.0	-3.2	-6.5	1.9
Manufacturing	138.4	142.3	142.0	144.8	2.8	-0.2	2.0
Durables	*68.4*	*70.8*	*70.4*	*72.8*	*3.5*	*-0.6*	*3.1*
Lumber	3.2	3.3	3.2	3.6	3.1	-3.0	12.5
Furniture	3.5	3.6	3.3	3.4	2.9	-8.3	3.0
Stone, Clay, Glass	7.6	7.2	7.5	7.6	-5.3	4.2	1.3
Primary Metals	4.6	5.0	4.8	4.9	8.7	-4.0	2.1
Fabricated Metals	8.0	8.2	8.1	8.1	2.5	-1.2	0.0
Nonelectrical Machinery	6.1	6.7	7.1	7.3	9.8	6.0	2.8
Electrical Machinery	8.0	9.3	10.0	10.4	16.3	7.5	4.0
Transportation Equipment	24.1	24.0	23.2	24.0	-0.4	-3.3	3.4
Other Durables	3.3	3.4	3.2	3.3	3.0	-5.9	3.1
Nondurables	*70.0*	*71.5*	*71.6*	*72.2*	*2.1*	*0.1*	*0.8*
Food	19.0	19.1	19.3	19.6	0.5	1.0	1.6
Textiles	7.3	7.4	7.4	7.5	1.4	0.0	1.4
Apparel	10.1	10.2	10.1	10.0	1.0	-1.0	-1.0
Paper	7.6	7.7	7.6	7.6	1.3	-1.3	0.0
Printing	14.0	14.5	15.2	15.4	3.6	4.8	1.3
Chemicals	6.9	6.8	6.7	6.6	-1.4	-1.5	-1.5
Other Nondurables	5.1	5.6	5.3	5.5	9.8	-5.4	3.8
Transportation	77.5	84.5	87.0	90.1	9.0	3.0	3.6
Trade	247.5	257.6	266.1	268.7	4.1	3.3	1.0
Wholesale	*93.2*	*100.3*	*105.6*	*105.0*	*7.6*	*5.3*	*-0.6*
Retail	*154.3*	*157.3*	*160.5*	*163.7*	*1.9*	*2.0*	*2.0*
Finance, Insurance & Real Estate	60.2	63.6	65.4	67.0	5.6	2.8	2.4
Services	174.4	186.7	195.7	200.6	7.1	4.8	2.5
Government	149.1	156.6	159.4	161.9	5.0	1.8	1.6
Federal	*30.6*	*31.5*	*31.3*	*30.9*	*2.9*	*-0.6*	*-1.3*
State & Local	*118.5*	*125.1*	*128.1*	*131.0*	*5.6*	*2.4*	*2.3*
Total Wage & Salary Employment	888.4	931.1	952.9	971.1	4.8	2.3	1.9

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Table 4

Atlanta SMSA Personal Income for 1978 With Estimates for 1979 and Forecasts for 1980 and 1981

	1978	1979	1980	1981	77-78	78-79	79-80	80-81
Total Personal Income*	15041	17027	18858	20863	11.7	13.2	10.8	10.6
Wage & Salary	11128	12619	13834	15252	11.3	13.4	9.6	10.3
Other Labor Income	1065	1192	1369	1546	15.5	11.9	14.9	12.9
Proprietors' Income	745	815	843	894	13.6	9.4	3.5	6.0
Farm	*38*	*52*	*43*	*46*	----	----	----	----
Nonfarm	*707*	*763*	*800*	*848*	*11.3*	*7.9*	*4.9*	*6.0*
Property Income	1705	1952	2200	2451	13.3	14.5	12.7	11.4
Transfer Payments	1458	1626	1888	2147	7.7	11.5	16.1	13.7
Less: Social Ins. Contributions	685	786	874	1021	12.9	14.7	11.2	16.8
Total Earnings	12938	14626	16046	17692	11.8	13.0	9.7	10.3
Farm	47	63	56	61	----	----	----	----
Total Nonfarm	12891	14563	15990	17631	11.6	13.0	9.8	10.3
Government	1868	2090	2259	2463	11.1	11.9	8.1	9.0
Federal Civilian	*590*	*654*	*694*	*740*	*9.4*	*10.9*	*6.0*	*6.6*
Federal Military	*49*	*52*	*57*	*62*	*-1.2*	*4.4*	*9.6*	*8.8*
State & Local	*1229*	*1384*	*1508*	*1661*	*12.5*	*12.6*	*9.0*	*10.1*
Private Nonfarm	11023	12473	13731	15168	11.7	13.2	10.1	10.5
Manufacturing	2160	2396	2574	2841	8.9	10.9	7.4	10.4
Durables	*1236*	*1373*	*1468*	*1632*	*8.7*	*11.1*	*6.9*	*11.2*
Nondurables	*924*	*1023*	*1106*	*1209*	*9.1*	*10.7*	*8.1*	*9.3*
Contract Construction	684	726	740	815	13.1	6.1	2.0	10.1
Transportation, etc.	1663	1944	2162	2428	13.8	16.9	11.2	12.3
Trade	3211	3612	4003	4355	11.5	12.5	10.8	8.8
Finance, Ins. & Real Estate	983	1128	1251	1388	11.5	14.8	10.9	10.9
Services	2287	2628	2956	3290	13.2	14.9	12.5	11.3
Residence Adjustment	-375	-391	-402	-406	----	----	----	----

*Earnings on a residence basis

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Table 5

Seasonally Adjusted Nonagricultural Employment

	Georgia					Atlanta				
	79-1	79-2	79-3	79-4(P)	Dec(P)	79-1	79-2	79-3	79-4(P)	Dec(P)
Total	2111.5	2105.8	2114.3	2130.2	2137.2	925.8	927.1	927.4	943.4	946.3
Mining	7.7	7.6	7.6	7.8	7.8	-----	-----	-----	-----	-----
Contract Construction	102.9	97.1	95.3	97.2	98.7	41.2	39.6	39.5	39.3	39.7
Manufacturing	528.7	525.7	525.7	528.3	529.5	141.2	141.6	141.4	144.3	144.3
Durables	*183.9*	*182.7*	*183.4*	*186.5*	*186.9*	*69.3*	*70.2*	*70.3*	*72.7*	*72.0*
Lumber	30.7	30.5	30.6	30.8	31.2	5	3.3	3.2	3.4	3.4
Furniture	10.0	10.1	10.0	9.7	9.6	7	3.7	3.6	3.6	3.5
Stone, Clay, Glass	18.4	17.8	18.1	18.9	18.9	7.2	6.9	7.3	7.6	7.7
Primary Metals	16.4	16.3	16.7	16.7	16.8	4.9	4.9	5.0	5.0	4.9
Fabricated Metals	21.5	21.0	20.9	21.6	21.9	8.2	8.2	8.3	8.2	8.2
Nonelectrical Machinery	21.5	21.5	21.8	22.1	22.1	6.4	6.6	6.8	7.0	7.0
Electrical Machinery	19.2	19.3	19.0	19.4	19.6	8.9	9.2	9.3	9.7	9.8
Transportation Equipment	34.4	34.5	34.5	35.7	35.1	23.0	24.1	23.5	24.9	24.2
Other Durables	11.8	11.7	11.8	11.6	11.7	3.5	3.3	3.3	3.3	3.3
Nondurables	*344.8*	*343.0*	*342.3*	*341.8*	*342.6*	*71.9*	*71.4*	*70.9*	*71.6*	*72.3*
Food	58.2	58.0	57.3	57.8	57.6	19.3	19.3	18.8	19.0	19.5
Textiles	123.8	123.2	123.2	121.3	121.8	7.2	7.4	7.5	7.6	7.5
Apparel	75.2	74.1	74.5	74.9	74.9	10.3	10.0	10.1	10.3	10.3
Paper	27.9	27.8	27.7	27.9	27.9	7.8	7.8	7.6	7.7	7.7
Printing	22.4	22.4	22.8	23.1	23.4	14.6	14.2	14.4	14.9	15.1
Chemicals	16.4	16.4	16.4	16.5	16.6	7.0	6.9	6.8	6.8	6.8
Leather	2.5	2.5	2.4	2.4	2.4	-----	----	----	----	----
Other Nondurables	18.4	18.6	18.0	17.9	18.0	5.7	5.8	5.7	5.3	5.4
Transportation, Comm. & Utilities	135.0	134.9	136.2	138.6	138.5	82.6	83.9	85.0	86.1	85.6
Trade	491.9	491.5	493.1	497.3	498.1	257.5	256.4	255.8	260.8	262.6
Wholesale	*153.6*	*155.1*	*157.4*	*160.2*	*161.5*	97.9	99.3	100.8	103.4	105.1
Retail	*338.3*	*336.4*	*335.7*	*337.1*	*336.6*	159.6	157.1	155.0	157.4	157.5
Finance, Ins. & Real Estate	106.2	106.8	106.8	108.0	107.9	62.7	63.7	64.1	64.2	63.6
Services	323.4	323.9	330.1	335.6	338.5	184.5	185.1	185.2	192.0	194.6
Government	415.7	418.3	419.5	417.4	418.2	156.1	156.8	156.6	156.7	155.9
Federal	*82.6*	*82.4*	*82.0*	*81.5*	*81.5*	*32.0*	*32.1*	*31.0*	*30.7*	*30.6*
State & Local	*333.1*	*335.9*	*337.5*	*335.9*	*336.7*	*124.1*	*124.7*	*125.6*	*126.0*	*125.3*

Georgia

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Table 6

Georgia in 1984

Employment

	1978	1984	% Change	Annual Rate	Previous Annual Rate
Mining	7.5	8.3	11.0	1.7	2.8
Construction	101.2	118.5	17.1	2.7	3.3
Manufacturing	515.8	563.2	9.2	1.5	1.4
Durables	*176.7*	*208.5*	*18.0*	*2.8*	*2.7*
Lumber	29.2	34.2	17.2	2.7	2.3
Furniture	9.8	10.1	3.1	0.5	1.6
Stone, Clay & Glass	18.0	20.5	13.9	2.2	2.9
Primary Metals	15.5	18.9	21.8	3.3	2.9
Fabricated Metals	20.6	24.3	17.7	2.8	1.8
Nonelectrical Machinery	19.8	26.5	33.8	5.0	2.0
Electrical Machinery	18.3	22.8	24.3	3.7	3.9
Transportation Equipment	34.3	37.8	10.2	1.6	2.5
Other Durables	11.2	13.4	19.6	3.0	5.3
Nondurables	*339.1*	*354.7*	*4.6*	*0.8*	*0.7*
Food	56.4	63.0	11.7	1.9	2.1
Textiles	123.7	120.3	-2.7	-0.5	-0.5
Apparel	74.5	74.9	0.5	0.1	-0.6
Paper	27.3	29.4	7.6	1.2	1.5
Printing	21.4	26.0	21.6	3.3	2.2
Chemicals	16.1	18.5	15.2	2.4	2.8
Leather	2.8	2.2	-21.4	-3.9	-1.3
Other Nondurables	17.0	20.4	19.9	3.1	4.7
Transportation	129.1	155.4	20.4	3.1	2.6
Trade	476.0	543.1	14.1	2.2	2.4
Wholesale	*149.0*	*168.7*	*13.2*	*2.1*	*1.4*
Retail	*327.0*	*374.4*	*14.5*	*2.3*	*2.8*
Finance, Ins. & Real Estate	103.6	119.9	15.7	2.5	2.6
Services	309.1	394.1	27.5	4.1	2.7
Government	407.9	463.8	13.7	2.2	2.7
Federal	*82.8*	*84.2*	*1.7*	*0.3*	*0.1*
State & Local	*325.0*	*379.6*	*16.8*	*2.6*	*3.4*
Total Wage & Salary	2050.1	2366.3	15.4	2.4	2.3
Projected Civilian Resident Population	5015	5331	6.3	1.02	0.95

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Table 7

Georgia in 1984

Personal Income**

	1978	1984	% Change	Annual Rate	Previous Annual Rate
Wage & Salary Income	22968	45055	96.2	11.9	10.6
Other Labor Income	2115	4435	109.7	13.1	15.1
Proprietors' Income	2258	3484	54.3	7.5	10.3
Farm	*612*	*964*	*57.5*	*7.8*	*13.0*
Nonfarm	*1645*	*2520*	*53.2*	*7.4*	*9.8*
Labor & Proprietors' Income:					
Farm	800	1420	77.5	10.0	12.0
Mining	114	246	215.4	13.6	13.3
Contract Construction	1457	2959	103.1	12.5	12.0
Manufacturing	6462	12426	92.3	11.5	10.9
Durables	*2566*	*5486*	*113.8*	*13.5*	*N.A.*
Nondurables	*3896*	*6940*	*78.1*	*10.1*	*N.A.*
Trade	5233	9818	87.6	11.1	11.0
Finance, Ins. & Real Estate	1565	3090	97.4	12.0	11.4
Transportation & Utilities	2539	5087	100.3	12.3	11.4
Services	3955	8306	110.0	13.2	11.6
Other Industries	89	208	133.5	15.2	11.9
Government	5123	9414	83.8	10.7	9.6
Federal Civilian	*1408*	*2294*	*62.9*	*8.5*	*8.0*
Federal Military	*726*	*1490*	*105.3*	*12.7*	*10.5*
State & Local	*2990*	*5630*	*88.3*	*11.1*	*10.2*
Property Income	3875	7909	104.1	12.6	11.4
State V. I. Benefits*	109	235	115.3	13.6	3.6
Other Transfers	4291	9238	115.3	13.6	10.1
Less: Social Ins. Contributions	1439	3341	132.2	15.2	14.9
Residence Adjustment	-92	-115	-----	-----	----
Total Personal Income	34087	66900	96.3	11.9	10.7
Real Personal Income	19501	22817	17.0	2.7	3.5
Adjusted CPI**	174.8	293.2	67.7	9.0	7.0

** Assuming prices rise 9% per year and adjusted to reflect differences from national pruchasing power
* Assuming 4.5% unemployment rate in 1984

The Georgia State University Economic Forecasting Project collects data, engages in analysis of macro-economic systems, and develops procedures that aid in the creation of econometric descriptions of the national, regional, and local economies. Our research is sponsored by the Georgia State University College of Business Administration and receives financial support from the following organizations:

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